



Request for Proposals for Employee Benefits Health and Welfare Consulting and Actuarial Services

**Human Resources Department
Employee Benefits and Services Division
157 West Fifth Street, 1st Floor
San Bernardino, CA 92415-0440**

RFP # HRD-05-027

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I. INTRODUCTION

- A. Purpose.** The County of San Bernardino, hereafter referred to as the “County,” is seeking proposals from interested and qualified employee benefits consulting and actuarial services firms. This Request for Proposals (RFP) is being released to identify and establish contracts with one or more firms for assisting the County with the management of its various health and welfare programs on a project-by-project basis. A list of these benefit plans and programs can be found in Exhibit 1. Based on the proposals received to this RFP, the County will determine the number of employee benefits consulting and actuarial services contracts it will pursue. The County will award a master contract to each Consultant for services provided under this RFP. No work is implied or guaranteed under the master agreement. The County RFP will entertain proposals only for health and welfare consulting and actuarial services.
- B. Period of Contract.** The term of any contract(s) awarded as a result of this Request for Proposals will be for three (3) years, unless terminated earlier as provided in Section V, Contract Requirements, of this RFP.
- C. Minimum Proposer Requirements.** All Proposers must:
1. Be affiliated with a legal business authorized to do business in the State of California. All required permits and licenses must be in full force at the time of selection.
 2. Have key personnel who have at least ten (10) years of experience in providing employee benefits consulting and actuarial services to large employer groups, with at least five (5) years of experience providing these services to public entities in the State of California.
 3. Have public sector clients who have a combined **annual** volume of twenty-five million dollars (\$25,000,000) or more in annual health and welfare premiums.
 4. Be able to provide frequent visits to the County’s Human Resources Department for actively assisting in the management of the County’s employee benefits plans and programs.
 5. Be able to meet the Scope of Employee Benefits Health and Welfare Consulting and Actuarial Services requirements outlined in Section IV, Scope of Work, of this RFP.
 6. Agree to comply with all of the County’s Contractual Terms and Conditions as shown in Section V, Contract Requirements, of this RFP.
 7. Meet other presentation and participation requirements listed in this RFP.

8. Submit proposal in the manner as stated in Section VI of this proposal.

- D. Correspondence.** All written correspondence and other communications, including proposals, are to be submitted to:

Rhett Rehage, Employee Benefits Officer
Human Resources Department
County of San Bernardino
ATTN: RFP for Employee Benefits Health and Welfare Consulting and Actuarial
Services, RFP # HRD-05-027
157 W. 5th Street, First Floor
San Bernardino, CA 92415-0440
E-mail: rrehage@hr.sbcounty.gov

- E. Admonition to Proposers.** All communications regarding this RFP, from the date of issue authorized by the County Board of Supervisors through final determination of the RFP results and awarding of contract(s) by the Board of Supervisors, must only be with the individual cited above. Communications regarding the RFP directed by a Proposer to a County employee or official, other than those cited in this RFP, may result in the disqualification of the Proposer. All proposals received by the County and subsequent communications and deliberations regarding the proposals will be treated as confidential information until the Board of Supervisors has taken final action regarding the submitted proposals.
- F. Questions.** Questions regarding the contents of this proposal must be submitted in writing (via email or facsimile) on or before 4:00 p.m. (Pacific Standard Time) on December 14, 2004, and directed to the individual listed in Section I, paragraph D. Questions submitted will be answered and posted to the County website at: <http://sbcounty.gov/rfp/rfpelist.htm> by 5:00 p.m. on December 29, 2004 (tentative date).
- G. Proposal Submission Deadline.** All proposals must be received at the address listed above no later than 4:00 p.m. (Pacific Standard Time) on January 28, 2005. Facsimile or electronically transmitted proposals will not be accepted since they do not contain original signatures. Postmarks will not be accepted in lieu of actual receipt. Late or incomplete proposals shall not be opened or considered. One (1) original and fifteen (15) copies of the proposal, and a copy on diskette or CD using Word version 6.0 or higher, must be received by the deadline.

II. PROPOSAL TIMELINES

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|----|--|---------------------------------------|
| A. | Release of RFP for Employee Benefits Consulting and Actuarial Services | November 23, 2004 |
| B. | Deadline for submission of questions | December 14, 2004 |
| C. | Tentative date for posting responses to questions | December 29, 2004 |
| D. | Deadline for Proposals | January 28, 2005
4:00 P. M. (PST), |
| E. | Tentative Interview date | March 16, 2005 |
| F. | Proposer selection | March, 2005 |
| G. | Tentative approval by the Board of Supervisors | April 5, 2005 |
| H. | Tentative date for awarding of contract(s) | April 5, 2005 |

The project timetable is subject to change at the sole discretion of the County. Addendums, revisions and/or changes will be posted to the County website at: <http://www.sbcounty.gov/rfp/rfplist.htm>. **Please note that Proposers are expected to have the appropriate staff available for finalist presentations (Interview date) as indicated above.**

III. PROPOSAL CONDITIONS

- A. **Contingencies.** This RFP does not commit the County to award a contract or if a contract is awarded, that any work is guaranteed or implied. The County reserves the right to accept or reject any or all proposals if the County determines it is in the best interest of the County to do so. The County will notify all Proposers, in writing, if the County rejects all proposals.
- B. **Modifications to the RFP.** The County reserves the right to issue addenda or amendments to this RFP. Minor modifications may be made at the discretion of the Director of Human Resources. Any modifications to this RFP will be posted on the County website. It is the responsibility of any Proposers to monitor the website for any modifications.
- C. **Acceptance or Rejection of Proposals.** Proposals shall remain open, valid and subject to acceptance up to July 27, 2005.

The County realizes that conditions other than price are important and will award contract(s) based on the proposal that best meets the needs of the County.

D. Proposal Submission. To be considered, all proposals must be submitted in the manner set forth in this RFP. It is the Proposers' responsibility to ensure that their proposals arrive on or before the specified deadline for submissions.

E. Incurred Costs. This RFP does not commit the County to any costs incurred in the preparation of a proposal in response to this request and Proposer agrees that all costs incurred in developing its proposal are the Proposer's responsibility.

In the event of a termination under this provision, the County is entitled to pursue any available legal remedies.

F. Negotiations. The County may require the Proposer(s) selected to participate in negotiations and to submit a price, technical, or other revisions of their proposals as may result from negotiations.

G. Final Authority. The final authority to award contracts as a result of this RFP rests solely with the County of San Bernardino Board of Supervisors.

H. Award. Award of agreement may or may not be an all or nothing basis or by groups of items. The County reserves the option to make award(s) as it deems the best interest of the County.

IV. SCOPE OF WORK

A. Definitions

1. **The Board.** The Board of Supervisors for the County of San Bernardino is the policy making body of the County and is responsible for the review and approval of all service agreements and/or contracts with the County.
2. **Consultant/Contractor.** Any private for-profit organization, private non-profit organization, corporation, individual, or other public and private agencies and institution submitting a proposal in response to this Request for Proposals for Employee Benefits Health and Welfare Consulting and Actuarial Services, RFP # HRD-05-027.
3. **County.** The County of San Bernardino is a local governmental agency in Southern California with more than 20,000 square miles. Los Angeles County borders the County on its west end, Riverside County borders the County on its south end, Nevada and Arizona border the County on its east end, and Nevada borders the County on its north end. The County is the largest County geographically in the United States. It has a population of approximately 1.5 million residents, an annual budget of approximately two and a half billion dollars, and has approximately 18,000 employees on payroll with nearly 17,000 provided employee benefits.

4. **Employee Benefits and Services Division (EBSD).** A division of the County's Human Resources Department responsible for the design, implementation, and on-going administration of the County's various employee benefit plans and programs.
5. **Employee Benefits Advisory Committee (EBAC).** A labor/management committee charged with the responsibility to review and recommend new and/or changes to current employee benefit plans and programs. The Committee was established in 1995 by an agreement between labor and management for the purpose of improving their negotiations for employee benefit plans and programs.
6. **Integrated Disability Management Program.** The Employee Health and Productivity (EHaP) Program is the County's integrated disability management program which serves as a single management system for both occupational (workers' compensation) and non-occupational (short-term and long-term) disability. The EHaP Program combines wellness, nurse care management and return-to-work services with the focus on reducing disability durations, expediting early return to work and increasing the overall health and productivity of employees. The program provides proactive medical and workplace interventions and a variety of health promotion and risk reduction services specifically targeted to employees' medical conditions.

The EHaP Program has generated significant cost savings to the County by reducing the number of expected disability days based on employee's medical conditions. A current focus is the integration of additional targeted health promotion and disease prevention services. The County expects its consultant(s) to participate in supporting the further development and refinement of its disability management program.

7. **Human Resources (HR) Department.** The County's HR Department is comprised of various divisions and sections that provide a wide array of personnel and employee services to County departments and agencies. The Department Director reports directly to the County Administrative Office (CAO).
8. **Proposer.** Same as "Consultant/Contractor."
9. **TPA.** Third Party Administrator(s) (TPA) for the County's self-funded employee benefit plans.

- B. Background of County Employee Benefit Plans and Programs.** The County provides an array of comprehensive benefit plans and programs to approximately 16,500 eligible employees plus their eligible dependents. The County also provides health plan coverage for approximately 2,500 retirees. The majority of the County's benefit plans and programs are outsourced to various health and welfare plan providers. The exceptions are a Section 125 premium conversion plan, two Section 125 flexible spending accounts, one Dependent Care Assistance Plan (DCAP), two short-term, self-funded disability plans, and one self-funded dental plan. A Third Party Administrator is used to process and pay the claims and to provide a network of providers for the DPO dental plan.

The County routinely solicits proposals every three (3) years for benefit programs. The County recently completed a RFP for its employee assistance/psychological services, life insurance, and long term disability plan. A comprehensive medical plan RFP is in process that could result in the replacement of the County's current carriers. An RFP for the vision plans will be released soon.

The County contracted with a small, local consulting firm from 1980 until 1998 for assistance with its health and welfare plans. A different investment company served as the County's voluntary retirement plan consultant from approximately 1990 until 1998. The County then contracted with a larger actuarial and benefits consultant firm between 1998 and 2002. That firm recorded more than 6,600 hours of services during that period.

In April 2002, the County contracted with its current actuarial and benefits consulting firms to serve as the County's employee benefits consultants. These firms are currently providing consulting services for all County benefit plans and programs. The companies have recorded more than 3,000 hours of consulting/actuarial services during the past 24 months of their relationship with the County.

- C. Values and Expectations for Employee Benefit Plans and Programs.** The County is committed to providing its employees with comprehensive, high quality, and cost-effective employee benefit plans and programs that provide optimum value to both the County and its employees. The County is seeking to establish relationships with its consulting firm(s) to assist in achieving these goals, including the mutual development of performance standards that support the County's key goals and objectives. Examples of these goals and objectives include:

- 1. Long-Term Optimal Value in County-Sponsored Health Plans.** The County is committed to stabilizing and controlling plan costs in its health and welfare benefits program while obtaining optimal value (best price, quality of care and quality service) for plan participants. This will require the County's consultant(s) to assist in holding its providers accountable for delivering high quality, cost-effective care with a strong emphasis on delivering comprehensive preventive

care. The County expects providers to help stabilize and control plan costs while minimizing future cost increases in this manner.

2. **Reduction in Employee Lost Time Due to Disability Regardless of Causation.** The County has implemented a Countywide integrated disability management program, called the Employee Health and Productivity (EHaP) Program, throughout County departments and agencies. The Program focuses on actively managing employees' medical care and expediting their return to productivity, both on and off the job, through the use of nurse care coordinators, modified duty facilitators, improved medical care coordination, and communication with the health plans' medical providers, the employees' supervisors, and the employees. Initial results of the Program to date show significant cost savings by reducing the number of expected days of disability based on employees' medical conditions. The current focus is the integration of additional targeted health promotion and disease prevention services. The County expects its consultant(s) to participate in supporting the further development and refinement of its disability management program.
 3. **Employee Communication.** The County desires to develop and implement a comprehensive benefits communication strategy and program that will actively involve and help employees better understand and make the best use of their benefits while encouraging the practice of healthy lifestyles and self-responsibility.
 4. **Information Reporting and Performance Measurement.** Collection, reporting and analysis of data are critical in measuring and comparing plan and provider performance. The County believes a key part of this process requires providers to regularly examine and improve their systems for assuring that necessary performance data is collected and care is being delivered in the most efficient and cost-effective manner. It is expected the County's benefits consultant(s) will fully support the County in its efforts to continue acquiring this important information from County medical plan providers.
- D. **Current and Completed Consulting Projects.** Exhibit 2 provides a list of consulting projects for health and welfare plans. The list identifies the County's current and projected consulting projects that successful Proposers would be expected to assume and complete. This information will give Proposers a perspective of the County's consulting needs and services.

E. Scope of Employee Benefits Health and Welfare Consulting and Actuarial Services. The successful employee benefits and actuarial consulting firm(s) will be expected to provide, as a minimum, the following services to the County's health and welfare benefit plans and programs. Proposers are asked to specify their ability to provide the following services. If Proposer cannot provide any of the following services, the Proposer must so indicate in their response to this RFP.

1. Review and make recommendations to the County's Employee Benefits and Services Division (EBSD) and to the County's Employee Benefits Advisory Committee (EBAC) for value added benefit plans and programs as well as modifications to the design, cost (rates), and quality of current employee benefit plans and programs.
2. Provide legal opinions pertaining to the County's employee benefit plans and programs including interpretation and application of all relevant laws, statutes, and regulations. If the Proposer subcontracts its legal services to another firm or law practice, this must be indicated in the Proposer's response identifying the law firm or practice accompanied by a complete resume of the experience and training of the firm's partners and associates who would be providing legal services to the County. Refer to section V. paragraph 4 for additional subcontracting requirements.
3. Develop RFPs for review by EBSD, EBAC and/or approval by the Board. Manage the RFP process and prepare a comprehensive report of the proposals received in response to the RFP. Evaluate proposals and recommend those proposals deemed acceptable for further analysis and review by EBSD and possibly EBAC. Work with EBSD and possibly EBAC to determine which proposal(s) to recommend to the HR Director and the Board for acceptance. Develop responses to protests from the RFP process. Make presentations regarding your firm's RFP recommendations to EBSD, EBAC, and County officials.
4. Assist in the design, implementation and administration of new and existing programs.
5. Make recommendations for items of negotiation with benefit plan providers including, but not limited to, plan design, cost (rates), and quality of services.
6. Assist in developing and implementing contracts with selected health, welfare, and TPA providers in accordance with County timelines and requirements.
7. Review all benefit plan provider contracts for compliance with current federal and state laws or regulations and County contractual compliance requirements.

8. Assist with the development, negotiation and implementation of performance standards and guarantees with the County's various benefit plan providers.
9. At designated intervals, evaluate and report the performance of plan providers to EBSD and EBAC.
10. Assist EBSD in the preparation and/or review and updating of benefit plan documents and benefit summary plan descriptions for self-funded benefit plans.
11. Regularly and timely communicate changes and proposed changes in federal statutes and regulations that may impact the County's employee benefit plans and programs. Recommend procedures and/or policies the County should implement to comply with federal and state statutes and regulations.
12. Review and prepare an analysis of all reports submitted by plan providers and TPAs. Make recommendations regarding the format and content of the reports. Recommend additional reports as needed.
13. Provide actuary services as needed for the County's self-funded employee benefit plans. Recommend appropriate premium rates and reserves to maintain the viability of the plans, insuring quality and cost-effective benefits are provided by the plans.
14. Provide actuarial costing of legislative proposals for mandated benefit programs.
15. Provide research and responses to technical questions posed by EBSD staff.
16. Provide financial and/or performance reviews of self-funded and fully insured plans and programs, as well as the County's TPA.
17. Provide EBSD with general guidance on items such as trends in benefit plans, methods for improving cost containment, financial arrangements, and administration.
18. Provide supporting backup and testimony to Board and Board staff as needed.
19. Develop and/or assist in developing and evaluating employee needs and satisfaction surveys.
20. As requested by EBSD, provide comparison reports of other employers benefit plans and programs to determine competitiveness.

21. Provide, as a minimum, two (2) annual on-site training programs regarding legislation updates or best practice seminars for EBSD and associated staff.
22. Provide assistance, technically and creatively, in the on-going development and preparation of various employee communication materials.
23. Provide day to day consultation on matters such as, but not limited to, plan interpretation and problem resolution, including attendance at periodic meetings to facilitate and assist in the management of the County's health and welfare plans and programs.
24. Direct negotiations with health and welfare providers on matters such as, but not limited to, premium rates, benefit levels, performance standards and guarantees, contractual terms and conditions, quality assurance standards, utilization and performance reports, statistical and/or financial reports, and plan specific data such as medical conditions, prescription drugs, high cost procedures, in-patient data, etc.
25. Provide such other services as requested by the EBSD for which the consultant has the technical capability and capacity to render.
26. Maintain full and accurate records with respect to all matters and services provided to the County's benefit plans and programs. At the request of County staff or County officials, provide all spreadsheets, assumptions, and calculations upon completion of any project performed on behalf of the County's benefit plans and programs.
27. Proposer(s) must agree to work collaboratively with any other consultants or consulting firms and/or legal firms the County has contracted with for consulting and/or legal services.
28. Proposer(s) agrees to work collaboratively with the County's in-house legal department, County Counsel, providing County Counsel with any and all requested information pertaining to the County's employee benefit plans and programs.

V. CONTRACT REQUIREMENTS

- A. General.** The firm(s) selected may be required to agree to the terms contained below. If Proposers have any objections, these objections must be addressed in the RFP response to the County or the objections will be deemed to have been waived.
 1. **Representation of the County.** In the performance of the Contract, Contractor, its agents and employees, shall act in an independent capacity and not as officers, employees, or agents of the County.

2. **Change of Address.** Contractor shall notify the County in writing of any change in mailing address within ten (10) days of the address change.
3. **Contract Assignability.** Without the prior written consent of the County, the Contract is not assignable by Contractor either in whole or in part.
4. **Subcontracting.** Contractor agrees not to enter into any subcontracting agreements for work contemplated under the Contract without first obtaining written approval from the County. Any subcontractor shall be subject to the same provisions as Contractor. Contractor shall be fully responsible for the performance of any subcontractor.
5. **Copyright.** County shall have a royalty-free, non-exclusive and irrevocable license to publish, disclose, copy, translate, and otherwise use, copyright or patent, now and hereafter, all reports, studies, information, data, statistics, forms, designs, plans, procedures, systems, and any other materials or properties developed under this Contract including those covered by copyright, and reserves the right to authorize others to use or reproduce such material. All such materials developed under the terms of this Contract shall acknowledge County as the funding agency and Contractor as the creator of the publication. No such materials or properties produced in whole or in part under this Contract shall be subject to private use, copyright or patent right by Contractor in the United States or in any other country without the express written consent of County. Copies of all educational and training materials, curricula, audio/visual aids, printed material, and periodicals, assembled pursuant to this Contract, must be filed with County prior to publication. Contractor shall receive written permission from County prior to publication of said training materials.
6. **Attorney Fees and Costs.** If any legal action is instituted to enforce any party's rights hereunder, each party shall bear its own costs and attorneys' fees, regardless of who is the prevailing party. This paragraph shall not apply to those costs and attorneys' fees directly arising from a third-party legal action against a party hereto and payable under Section V, Contract Requirements, Paragraph B, Indemnification and Insurance Requirements.
7. **Conflict of Interest.** Contractor shall make all reasonable efforts to ensure that no County office or employee, whose position in the County enables him/her to influence any award of this contract or any competing offer, shall have any direct or indirect financial interest resulting from the award of this contract or shall have any relationship to the Contractor or officer or employee of the Contractor.
8. **Licenses and Permits.** Contractor will ensure that it has all necessary licenses and permits required by the laws of the United States, State of California, County and all other appropriate governmental agencies, and agrees to

maintain these licenses and permits in effect for the duration of this Contract. Contractor will notify County immediately of loss or suspension of any such licenses and permits. Failure to maintain a required license or permit may result in immediate termination of this Contract.

9. **Recycled Product Procurement Policy.** Contractor agrees to comply with the County's Recycled Product Procurement Policy No. 11-17, which states, "It is County policy to promote the development of markets for recycled and recyclable products by establishing preferential purchase programs applicable to San Bernardino County departments, consultants, contractors, and other entities or organizations doing business with the County."
10. **Americans with Disabilities Act.** Contractor shall comply with all applicable provisions of the Americans with Disabilities Act (ADA).
11. **Notification.** In the event of a problem or potential problem that will impact the quality or quantity of work or the level of performance under this Contract, notification will be made within one (1) working day, in writing and by telephone to the County.
12. **Contract Amendments.** Contractor agrees any amendments, alterations, variations, modifications, or waivers of provisions of the Contract shall be valid only when they have been reduced to writing, duly signed and attached to the original of the Contract and approved by the County Board of Supervisors.
13. **Venue.** The venue of any action or claim brought by any party to enforce the provisions of this Contract shall be San Bernardino County. Each party hereby waives any law or rules of the court that would allow them to request or demand a change of venue. If any action or claim concerning this Contract is brought by any third party and filed in another venue, the parties hereto agree to use their best efforts to obtain a change of venue to San Bernardino County.
14. **Jury Trial Waiver.** Contractor and County hereby waive their respective rights to trial by jury for any cause of action, claim, counterclaim, or cross-complaint in any action, proceeding, and/or hearing brought by either Contractor against County or County against Contractor on any matter arising out of, or in any way connected with this Contract, the relationship of Contractor and County, or any claim of injury or damage, or the enforcement of any remedy under any law, statute, or regulation emergency or otherwise, now or hereafter in effect.
15. **Key Personnel.** Contractor must provide a list of and the resumes of the individuals who will provide services to the County. These individuals will be designated "key personnel" and may not be removed from County transactions or projects without the written approval of the County. An individual who will be the main contact person must also be identified. If the main contact person will be unavailable to the County for more than three (3) days, another person must

be designated as a contact for the County for that period. Key personnel must respond to the County within two (2) County business days.

16. **Former County Officials.** Contractor agrees to provide or has already provided information on former County of San Bernardino administrative officials (as defined below) who are employed by or represent Contractor. The information provided includes a list of former County administrative officials who terminated County employment within the last five (5) years and who are now officers, principals, partners, associates or members of the business. The information also includes the employment with or representation of Contractor. For purposes of this provision, "County administrative official" is defined as a member of the Board of Supervisors or such officer's staff, County Administrative Officer or member of such officer's staff, County department or group head, assistant department or group head, or any employee in the Exempt Group, Management Unit or Safety Management Unit.
17. **Invoices.** Contractor shall provide County itemized monthly invoices, in arrears, for services performed under this Contract within twenty (20) days of the end of the previous month.
18. **Ownership of Documents.** All documents, data, products, graphics, computer programs, and reports prepared by Contractor pursuant to this Contract shall be considered property of the County upon payment for services. All such items shall be delivered to the County at the completion of work under the Contract. Unless otherwise directed by County, Contractor may retain copies of such items.
19. **Release of Information.** No news releases, advertisements, public announcements or photographs arising out of this Contract or Contractor's relationship with County may be made or used without prior written approval of the County.
20. **Right to Monitor and Audit.** The County shall have absolute right to review and audit all records, books, papers, documents, corporate minutes, and other pertinent items as requested, and shall have absolute right to monitor the performance of Contractor in the delivery of services provided under this Contract. Contractor shall give full cooperation in any auditing or monitoring conducted. Contractor shall cooperate with the County in the implementation, monitoring, and evaluation of this Contract and comply with any and all reporting requirements established by the County.

All records pertaining to services delivered and all fiscal, statistical, and management books and records shall be available for examination and audit by County representatives for a period of three (3) years after final payment under the Contract or until all pending County, state and federal audits are completed, whichever is later.

21. Disclosure of Criminal and Civil Proceedings. The County reserves the right to request the information described herein from the Consultant selected for contract award. Failure to provide the information may result in a disqualification from the selection process and no award of contract to the Consultant. The County also reserves the right to obtain the requested information by way of a background check performed by an investigative firm. The selected Consultant also may be requested to provide information to clarify initial responses. Negative information provided or discovered may result in disqualification from the selection process and no award of contract.

The selected Consultant may be asked to disclose whether the firm, or any of its partners, principals, members, associates or key employees (as that term is defined herein), within the last ten years, has been indicted on or had charges brought against it or them (if still pending) or convicted of any crime or offense arising directly or indirectly from the conduct of the firm's business, or whether the firm, or any of its partners, principals, members, associates or key employees, has within the last ten years, been indicted on or had charges brought against it or them (if still pending) or convicted of any crime or offense involving financial misconduct or fraud. If the response is affirmative, the Consultant will be asked to describe any such indictments or charges (and the status thereof), convictions and the surrounding circumstances in detail.

In addition, the selected Consultant may be asked to disclose whether the firm, or any of its partners, principals, members, associates or key employees, within the last ten years, has been the subject of legal proceedings as defined herein arising directly from the provision of services by the firm or those individuals. "Legal proceedings" means any civil actions filed in a court of competent jurisdiction, or any matters filed by an administrative or regulatory body with jurisdiction over the firm or the individuals. If the response is affirmative, the Consultant will be asked to describe any such legal proceedings (and the status and disposition thereof) and the surrounding circumstances in detail.

For purposes of this provision "key employees" includes any individuals providing direct service to the County. "Key employees" do not include clerical personnel providing service at the firm's offices or locations.

B. Improper Consideration. Proposer shall not offer (either directly or through an intermediary) any improper consideration such as, but not limited to, cash, discounts, service, the provision of travel or entertainment, or any items of value to any officer, employee, group of employees or agent of the County in an attempt to secure favorable treatment or consideration regarding the award of this proposal.

Proposer shall immediately report any attempt by a County officer, employee, group of employees or agent to solicit (either directly or through an intermediary) improper consideration from Proposer. The report shall be made to the supervisor

or manager charged with supervision of the employee or to the County Administrative Office.

The County, by written notice, may immediately reject any proposal or terminate any contract resulting from this proposal process if it determines that any improper consideration as described in the preceding paragraphs was offered to any officer, employee, group of employees or agent of the County with respect to the proposal and award process, or any solicitation for consideration was not reported. This prohibition shall also apply to any amendment, extension or evaluation process once a contract has been awarded.

In the event of a termination under this provision, the County is entitled to pursue any available legal remedies.

C. Inaccuracies or Misrepresentations. If, in the course of the RFP process or in the administration of a resulting contract, the County determines that Proposer has made a material misstatement or misrepresentation or that materially inaccurate information has been provided to the County, Proposer may be terminated from the RFP process or, in the event a contract has been awarded, the contract may be immediately terminated.

D. Indemnification and Insurance Requirements.

1. **Indemnification.** Contractor agrees to indemnify, defend and hold harmless the County and its authorized officers, employees, agents, and volunteers from any and all claims, actions, losses, damages, and/or liability arising from Contractor's acts, errors or omissions and for any costs or expenses incurred by the County on account of any claims therefore, except where such indemnification is prohibited by law.
2. **Insurance.** Without in any way affecting the indemnity herein provided and in addition thereto, Contractor shall secure and maintain throughout the Contract the following types of insurance with limits as shown:
 - a. **Worker's Compensation** - A program of Worker's Compensation Insurance or a State-approved Self-Insurance Program in an amount and form to meet all applicable requirements of the Labor Code of the State of California, including Employers' Liability with two hundred fifty thousand dollars (\$250,000) limits, covering all persons providing services on behalf of Contractor and all risks to such persons under this Contract.
 - b. **Comprehensive General and Automobile Liability Insurance** - This coverage to include contractual coverage and automobile liability coverage for owned, hired and non-owned vehicles. The policy shall have combined single limits for bodily injury and property damage of not less than one million dollars (\$1,000,000).

- c. Errors and Omissions Liability Insurance - Combined single limits of one million dollars (\$1,000,000) for bodily injury and property damage, and three million dollars (\$3,000,000) in the aggregate; or
 - d. Professional Liability - Professional liability insurance with limits of at least one million dollars (\$1,000,000) per claim.
3. **Additional Named Insured.** All policies, except for Worker's Compensation, Errors and Omissions, and Professional Liability policies, shall contain additional endorsements naming the County and its officers, employees, agents, and volunteers as additional named insureds with respect to liabilities arising out of the performance of services hereunder.
4. **Waiver of Subrogation Rights.** Except for Errors and Omissions and Professional Liability, Contractor shall require the carriers of the above-required coverages to waive all rights of subrogation against the County, its officers, employees, agents, volunteers, contractors and sub-contractors.
5. **Policies Primary and Non-Contributory.** All policies required above are to be primary and non-contributory with any insurance or self-insurance programs carried or administered by the County.
6. **Proof of Coverage.** Contractor shall immediately furnish certificates of insurance to the County Department administering the Contract evidencing the insurance coverage, including endorsements, above required prior to the commencement of performance of services hereunder; these certificates shall provide that such insurance shall not be terminated or expired without thirty (30) days written notice to the Department, and Contractor shall maintain such insurance from the time Contractor commences performance of services hereunder until the completion of such services. Within sixty (60) days of the commencement of this Contract, the Contractor shall furnish certified copies of the policies and all endorsements.
7. **Insurance Review.** The above insurance requirements are subject to periodic review by the County. The County's Risk Manager is authorized, but not required, to reduce or waive any of the above insurance requirements whenever the Risk Manager determines that any of the above insurance is not available, is unreasonably priced, or is not needed to protect the interest of the County. In addition, if the Risk Manager determines that heretofore unreasonably priced or unavailable types of insurance coverage or coverage limits become reasonably priced or available, the Risk Manager is authorized, but not required, to change the above insurance requirements to require additional types of insurance coverage or higher coverage limits, provided that any such change is reasonable in light of the past claims against the County, inflation, or any other item reasonably related to the County's risk.

Any such reduction or waiver for the entire term of the Contract and any change requiring additional types of insurance coverage or higher coverage limits must be made by amendment to the Contract. Contractor agrees to execute any such amendment within thirty (30) days of receipt.

- E. Contract Compliance.** Contractor agrees to comply with the provisions of Executive Orders 11246, 11375, 11625, 12138, 12432, 12250, Title VII of the Civil Rights Act of 1964, the California Fair Employment and Housing Act, San Bernardino County Emerging Small Business Enterprise Policy 11-15, and any other applicable federal, state and county laws, regulations, and policies relating to equal employment and contracting opportunities, including laws and regulations hereafter enacted. Information on these rules and regulations may be obtained from the Small Business Development Manager of the County of San Bernardino at (909) 948-6602.
- F. Gratuity.** Contractor shall not offer or otherwise distribute any bonus, gratuity or other payment to subscribers or groups of subscribers for the purpose of inducing enrollment or to existing subscribers or groups of subscribers for the purpose of inducing the continuation of enrollment.
- G. Termination of Contract.** The termination of any Contract(s) issued as a result of this RFP shall be subject to the provisions of the following:

 - 1. The County may immediately terminate after notice of material breach is sent to the Contractor and the breach is not cured within fifteen (15) business days of receipt of such notice. For the purpose of the Contract, the term “material breach” shall be defined to mean the failure of Contractor to perform all of its obligations under the Contract.
 - 2. The Contract may be terminated by the County without cause upon thirty (30) calendar days prior written notice to the other party. All fees and charges incurred prior to termination will become due and payable within thirty (30) working days of the County’s receipt of an invoice.
 - 3. The Director of Human Resources has full discretion and authority to exercise County termination rights under the Contract.

VI. PROPOSAL SUBMISSION

A. General

1. All interested and qualified Proposers are invited to submit a proposal for consideration. Submission of a proposal indicates that the Proposer has read and understands this entire RFP, including all appendixes, exhibits, attachments, modifications and addendum (as applicable) and all concerns regarding this RFP have been satisfied.
2. Proposals must be submitted in the format described in Paragraph C, Proposal Format, of this Section. Proposals are to be prepared in such a way as to provide a straightforward, concise description of capabilities to satisfy the requirements of this RFP. Expensive bindings, colored displays, promotional materials are neither necessary nor desired. Emphasis should be concentrated on conformance to the RFP instructions, responsiveness to the RFP requirements, and on completeness and clarity of content.
3. Proposals must be complete in all respects. A proposal may not be considered if it is conditional or incomplete.
4. All proposals and materials submitted become the property of the County. All proposals received are subject to the "California Public Records Act."
5. **Proposals must be received no later than the date and time at the designated location as specified in Section I, Introduction, Paragraph G, Proposal Submission Deadline.**

B. Proposal Presentation

1. Submit your proposal electronically on diskette using Word version 6.0 or higher. Also, submit one (1) original and fifteen (15) complete, unbound, hard copy sets of your proposal including all attachments and exhibits. The package containing the original, the diskette, and all copies must be sealed and marked with the Proposer's name and "CONFIDENTIAL – RFP for Employee Benefits Health and Welfare Consulting and Actuarial Services, RFP # HRD-05-027."
2. All printed proposals should be submitted on 8-½" by 11" recycled paper unless specifically shown to be impracticable, with no less than ½" top, bottom, left and right margins. Typeface must be no more than 12 characters per inch and no less than 11 characters per inch. Each page, including attachments and exhibits, must be clearly and consecutively numbered at the bottom center of the page.

C. Proposal Format. Response to this Request for Proposal (RFP) must be in the form of a proposal package that must be submitted in the following format.

1. **Cover Page.** Submit RFP coversheet and a letter, on letterhead stationary, signed by a duly authorized officer, employee, or agent of the organization/firm submitting the proposal that must include the following information:
 - a. A statement that the proposal is submitted in response to the Request for Proposal for Employee Benefits Health and Welfare Consulting and Actuarial Services, RFP # HRD-05-027.
 - b. A statement indicating which individuals, by name, title, address, and phone number, are authorized to negotiate with the County on behalf of the organization/firm.
 - c. A statement certifying that the undersigned, under penalty of perjury, is an agent authorized to submit proposals on behalf of the organization/firm.
2. **Statement of Certification.** Include the following in this section of the proposal:
 - a. A concise statement of the services proposed.
 - b. A statement that the offer made in the proposal is firm and binding for one hundred eighty (180) days from the date the proposal is opened and recorded.
 - c. A statement that all aspects of the proposal, including cost, have been determined independently, without consultation with any other prospective Proposer or competitor for the purpose of restricting competition.
 - d. A statement that all declarations in the proposal and attachments are true and that this shall constitute a warranty, the falsity of which shall entitle the County to pursue any remedy by law.
 - e. A statement that the Proposer agrees that all aspects of the RFP and the proposal submitted shall be binding if the proposal is selected and a contract awarded.
 - f. A statement that the Proposer, if selected, will comply with all applicable contract requirements, rules, laws, and regulations.
 - g. A statement that the Proposer agrees to respond to any reasonable inquiry made by the County for the purpose of clarifying any of the information contained in a proposal. The submission of a proposal constitutes permission by the Proposer for the County to verify all information contained

therein. If the County deems it necessary, additional information may be requested from the Proposer. Failure to comply with any such request may disqualify a Proposer from further consideration. Such additional information may include evidence of financial ability to perform.

- h. A statement that the Proposer does not have any commitments or potential commitments which may impact the Proposer's assets, lines of credit, guarantor letters, or ability to perform the contract.

3. **Statement of Qualifications.** Include the following in this section of the proposal:

- a. Resume. Proposer will provide a resume for each individual including any potential subcontractors who would be providing services to the County.
- b. References. List the three (3) most progressive and innovative public sector clients whom you now work with or have worked with in the last five (5) years and have provided services similar in nature to those being requested in this RFP. Please give the full name of each public entity, their phone number, and the person the County may contact who worked directly with your firm in overseeing the services you provided. Also provide three (3) clients to whom you no longer provide services, giving the full name of each entity, their phone number, and the person the County may contact who worked directly with your firm.
- c. Financial Information. Proposer will provide the Company's Annual Report for the last two (2) years. Proposer must also include independently audited financial statements for the last two (2) fiscal years. Audited financial statements are required; unaudited financial statements will not be accepted.

Alternatively, provide tax returns from the most recent completed fiscal year or a letter from the Proposer's financial institution indicating the Proposer can carry up to sixty (60) days worth of invoices before obtaining payment.

4. **Proposal Description.** Proposal shall include the following:

- a. Brief synopsis of the Proposer's understanding of the County's needs and how the Proposer plans to meet these needs. This should provide a broad understanding of the Proposer's entire proposal. It should also include a statement that the Proposer will provide all of the services included in Section IV, Paragraph E, "Scope of Consulting and Actuarial Services for Health and Welfare Benefit Plans and Programs." If the Proposer is unable to provide any of the particular services listed in the scope of work, they must so indicate by describing which service(s) they are unable to provide.

- b. Complete responses to questions in Appendix A, Questionnaire. This Questionnaire is provided in table format on the enclosed diskette.
 - c. A proposed Transition Schedule to be used in implementing services during the take-over of existing services if necessary.
 - d. Explanation of any assumptions and/or constraints.
5. **Cost.** Include in this section the projected costs for your firm's employee benefits consulting and actuarial services. Costs should be broken down by fixed hourly rates for each level of staff. Hourly rates should include all administrative overhead and related costs. Travel, travel time, and other related expenses are not to be charged to the County. It is expected these costs will be included in the billed hourly rates. Proposer shall indicate if fixed hourly rate shall remain current for years two and three. Please use the format shown in Exhibit 3 for your cost proposal(s).

VII. PROPOSAL EVALUATION AND SELECTION

- A. Evaluation Process.** All proposals will be subject to a standard review process developed by the County. A primary consideration shall be the demonstrated competence of the firm or organization and on the professional qualifications necessary for the satisfactory performance of the Proposer(s) to deliver the employee benefits consulting and actuarial services described in this RFP.

Proposers identified as "finalists" may be asked to submit samples of previous work. Evaluation of the finalists' proposals may include the quality of requested work samples, results of references, and interviews with and site visits by County personnel. The HR Director will make the final decision(s) as to which proposal(s) will be recommended to the Board of Supervisors for contractual consideration and approval.

B. Evaluation Criteria

1. **Initial Review.** All proposals will be initially evaluated to determine if they meet all of the requirements as stated in this RFP, including the Minimum Proposer Requirements as outlined in Section I, Introduction, Paragraph C.

Failure to meet all of these requirements may result in a rejected proposal. No proposal shall be rejected, however, if it contains a minor irregularity, defect or variation if the irregularity, defect or variation is considered by the County to be immaterial or inconsequential. In such cases the Proposer will be notified of the deficiency in the proposal and given an opportunity to correct the irregularity, defect or variation, or the County may elect to waive the deficiency and accept the proposal.

2. **Financial Review.** All financial data submitted as part of the Proposal will be reviewed by the County's Auditor/Controller for financial stability. This determination will be on a pass/fail basis.
3. **Technical Review.** Proposals meeting the above requirements will be evaluated on the basis of the following criteria:
 - a. Qualifications and experience in providing employee benefits consulting and actuarial services to similar employer groups.
 - b. Ability to provide comprehensive employee benefits consulting and actuarial services in a timely manner (including, but not limited to, providing sufficient personnel, licensing, and certification to meet the County's current and future needs).
 - c. Procedures and systems for record keeping and other aspects of the firm's business operations.
 - d. Performance standards and guarantees regarding services to be offered.
 - e. The range and quality of services offered.
 - f. Cost of services provided, including hourly rates and/or rate guarantees for year two and year three if awarded a contract.
 - g. Interviews.
4. **Final Selection.** Final selection will be based on determining which proposal or proposals will best meet the needs of the County as described in this RFP.

C. Contract Award

1. Contract(s) will be awarded based on a competitive selection of proposals received.
2. The contents of the proposal(s) of the successful Proposer(s) will become contractual obligations and failure to accept these obligations in a contract may result in cancellation of the award.
3. Award of contract(s) may or may not be on an all or nothing basis. The County reserves the option to make award(s) as it deems to be in the best interest of the County.

D. Disputes Relating to Proposal Process and Award

1. In the event a dispute arises concerning the proposal process prior to the award of the contract, the party wishing resolution of the dispute shall submit an appeal/protest in writing to the Director of Human Resources. Vendor may

appeal/protest the recommended award or denial of award, provided the following requirements are met:

- a. Appeal/protest must be in writing.
 - b. The appeal/protest must be submitted within ten (10) calendar days of the date of the recommended award or denial of award letters sent to Proposer.
2. An appeal/protest of a **denial of award** can only be brought on the following grounds:
- a. Failure of the County to follow the selection procedures and adhere to requirements specified in the RFP or any addenda or amendments, or
 - b. There has been a violation of conflict of interest as provided by California Government Code Section 87100 et seq., or
 - c. A violation of State or Federal law.

Appeals/protests will not be accepted for any other reasons than those stated above. The County will consider only those specific issues addressed in the written appeal/protest. In the event of an appeal/protest, the Director of Human Resources or a panel designated by the Director of Human Resources will handle the appeal/protest. A written response will be sent within ten (10) calendar days of receipt of the appeal/protest, unless more time is required to investigate and prepare the response, advising of the decision with regard to the appeal/protest and the basis for the decision. All appeals/protests must be sent to:

Elizabeth Sanchez, Director
County of San Bernardino
Human Resources Department
157 W. 5th Street
San Bernardino, Ca 92415-0440

APPENDIX A - QUESTIONNAIRE

This Questionnaire addresses the major aspects of the County's employee benefits consulting and actuarial services needs. Answer only the questions asked, and refrain from making references to other preprinted materials, marketing and sales types of information. Your responses must relate to the facts requested. Your responses must reflect your organization's current personnel.

Have appropriate personnel answer each question by. The accuracy and completeness of this information will be weighed heavily in the considerations of the evaluation of the responses. For questions that do not pertain to your organization as specified in Section IV, Scope of Work, Paragraph E, Scope of Employee Benefits Consulting and Actuarial Services, respond to the question with "Not Applicable."

1. What is the service area of your company? Please provide a listing by state and city.
2. If more than one office would be providing services to the County, describe what services would be provided at each location.
3. Which location would be the primary office to service the County's account and what services would be provided through this office?
4. How long has your firm provided consultant services for health plans? Please briefly describe the type of health plans you have serviced.
5. How long has your firm provided consultant services for welfare plans? Please briefly describe the type of welfare plans you have serviced.
6. Describe your firm's experience that substantiates it meets the minimum requirements as set forth in Section I, Introduction, Paragraph C., Minimum Proposer Requirements.
7. Confirm that your firm would provide all the services listed in Section IV, Paragraph E, Number 1, Health and Welfare Benefit Plans and Programs. List any services in that Section that you would not be able to provide.
8. List any characteristics of your firm that you feel make it unique from other employee benefits and/or actuarial consulting firms.
9. How much management autonomy is extended to the office(s) which is (are) to provide the consulting services under your proposal?

10. Will the office in charge of the County's account have access to resource consultants in other offices? If so, please describe those resources.
11. Please list any potential conflicts of interest that your firm foresees if you are selected as one of the successful Proposers, or state affirmatively that you foresee none.
12. Are you owned by or does any insurance company have part ownership in your firm? If so, please detail all such relationships.
13. Does your firm broker any type of insurance coverage? If yes, please describe the type of insurance programs.
14. Describe your organization's legal research capabilities and ability to provide legal opinions.
15. Do you agree that the work you complete under any contract awarded cannot be copyrighted?
16. Do you agree that all work completed under any contract awarded is considered property of the County?
17. Are there areas of services that were not designated in Section III, Paragraph E, that you would recommend be added to the services your firm would provide to the County?
18. Explain your firm's ability to provide expertise and experience in the areas of long range strategic planning for health and welfare benefit planning purposes. Explain in detail the types of analyses your firm has conducted relative to long range strategic planning for employers with at least 10,000 employees.
19. Outline your firm's ability to provide expertise and experience in the areas of health benefit plan analysis and design. Explain in detail the types of analyses your firm has conducted relative to benefits analysis and design for health plans with at least 5,000 employees.
20. Outline your firm's ability to provide expertise and experience in the area of dental plans. Explain in detail the types of analyses your firm has conducted relative to benefits analysis and design for these types of plans offered by employers with more than 10,000 employees.
21. Outline your firm's ability to provide expertise and experience in the areas of welfare benefit plans, e. g., life insurance plans, accidental death and dismemberment (AD&D) plans, disability plans, vision plans, long term care plans, etc. Explain in detail the types of analyses your firm has conducted relative to

benefits analysis and design for these types of plans offered by employers with more than 10,000 employees.

22. Outline your firm's ability to provide expertise and experience in the areas of mental health (psychological services) and employee assistance plans (EAP) and programs. Explain in detail the types of analyses your firm has conducted relative to benefits analysis and plan design for these types of plans.
23. Outline your firm's ability to provide expertise and experience in the areas of High Deductible Health Plans (HDHPs) and Health Savings Accounts (HSAs). Explain in detail the types of analyses your firm has conducted relative to benefits analysis and design for these types of plans offered by employers with more than 10,000 employees.
24. Please list how many clients, both public and private sector, for which you currently provide consulting and/or actuary services, which offer the following plans to their employees and/or retirees.

Plan Provider

Number of Clients

Kaiser Permanente Health Plans
Health Net HMO Plans
Blue Cross PPO Plans
Delta Dental Plans
Cigna Psychological Services
and EAP Plans
Cigna Long-Term Disability

25. How many clients do you currently service in the public sector?
26. Have you provided with your proposal to the County copies of your firm's audited financial statements for the past two (2) fiscal years?
27. Have any of the principals of your firm ever been named in a lawsuit for consulting services similar to the consulting services requested by this proposal? If so, please provide details.
28. Will you agree to give the County the right of approval of any staff member assigned to this account?
29. If your firm is selected as a "finalist," would you be willing to submit samples of work that you produced for other large employer groups that relate to the County's benefit programs? If not, please explain.
30. What on-going, organized professional training programs does your firm maintain for its consulting staff? Please describe such programs.

31. List the three (3) most important concerns you see for EBSD for the next eighteen (18) months.
- a. What resources does your firm have to address these concerns?
 - b. List your firm's experience in addressing these concerns.
 - 1) Government employer experience
 - 2) Private sector employer experience